

**BEFORE THE  
PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2016-275-C**

In the Matter of	)	
	)	
Application of Global Connection Inc. of	)	<b>DIRECT TESTIMONY OF</b>
America for Designation as a	)	<b>DAVID SKOGEN</b>
Wireline Eligible Telecommunications Carrier	)	
in the State of South Carolina	)	

1    **Q.     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2    A.     My name is David Skogen. My business address is 5555 Oakbrook Parkway, Suite 620,  
3           Norcross, Georgia 30093.

5    **Q.     ON WHOSE BEHALF ARE YOU TESTIFYING?**

6    A.     I am testifying on behalf of Global Connection Inc. of America (hereinafter referred to as  
7           Global Connection or the Company), the Applicant in this proceeding.

9    **Q.     WHAT IS YOUR RELATIONSHIP WITH GLOBAL CONNECTION?**

10   A.     I am employed by Global Connection and serve as President and Chief Executive Officer  
11          of the Company.

13   **Q.     PLEASE DESCRIBE YOUR EDUCATIONAL AND EMPLOYMENT  
14          BACKGROUND.**

15   A.     I have worked as an executive in the telecommunications industry for over twenty years.  
16          I joined Global Connection as the Company's Chief Operating Officer in November of

1 2010 and was subsequently promoted to Chief Executive Officer in January of 2011.

2 Prior to joining Global Connection, I held a number of positions with MCI and Verizon.

3 These included service as the Executive Director and General Manager in charge of the  
4 company's Prepaid business unit. With respect to education, I hold a BBA-Finance from  
5 the University of Iowa. I also serve as a member of the Global Board of Directors, the  
6 Young Presidents Organization (ypo.org) and a Board Member of the National Lifeline  
7 Association (nalalifeline.org).

8  
9 **Q. HAVE YOU REVIEWED THE APPLICATION AND OTHER DOCUMENTS**  
10 **FILED ON BEHALF OF GLOBAL CONNECTION IN THIS PROCEEDING?**

11 A. Yes. I would like to incorporate those documents and that information into this  
12 testimony by reference.

13  
14 **Q. WHAT RELIEF DOES THE COMPANY SEEK IN ITS APPLICATION?**

15 A. Global Connection seeks designation as a wireline eligible telecommunications carrier  
16 (ETC) in the State of South Carolina for the purpose of receiving federal universal  
17 service Lifeline support. The Company does not seek to receive state or federal high cost  
18 fund support or support from any other universal service funds. In connection with the  
19 requested designation, and to the extent deemed necessary by the Commission, Global  
20 Connection respectfully requests waiver of those provisions of South Carolina Code of  
21 Regulations section 103-690 that at this time differ from the Federal Communications  
22 Commission (FCC) rules and its applicable Lifeline reform and modernization orders.

1   **Q.   WHAT IS THE SPECIFIC PURPOSE OF YOUR TESTIMONY IN THIS**  
2   **PROCEEDING?**

3   A.   The purpose of my testimony is to demonstrate that Global Connection fully satisfies the  
4       requirements for designation as an ETC in the State of South Carolina under the rules of  
5       the FCC and the South Carolina Code of Regulations and, further, that grant of this  
6       designation is in the public interest.

7  
8   **Q.   PLEASE BRIEFLY DESCRIBE GLOBAL CONNECTION AND ITS**  
9   **OPERATIONS.**

10   A.   Global Connection is a Georgia corporation located at 5555 Oakbrook Parkway, Suite  
11       620, Norcross, GA 30093. The Company has operated as a provider of wireline  
12       telecommunications services since 1998 and a provider of wireless telecommunications  
13       services since 2011. Global Connection currently provides prepaid wireline local  
14       exchange and long distance services to residential customers in 26 states and provides  
15       wireless services in 23 states and Puerto Rico. The details of the Company's service  
16       territory are provided in its Application. In South Carolina, Global Connection was  
17       granted authority by the Commission to provide prepaid intrastate wireline  
18       telecommunications services on July 19, 2000 in Docket No. 2000-0149-C. The  
19       Company currently serves approximately 1,486 wireline customers in South Carolina.  
20       The Commission designated Global Connection as an ETC to provide wireless Lifeline  
21       services on September 27, 2012 in Docket No. 2012-167-C (Order No. 2012-776). At  
22       this time, the Company serves approximately 572 wireless Lifeline customers in South  
23       Carolina.

1   **Q.   HAS GLOBAL CONNECTION APPLIED FOR OR BEEN GRANTED ETC**  
2   **DESIGNATION IN ANY OTHER STATES?**

3   A.   Yes. In addition to its South Carolina wireless ETC designation, Global Connection is  
4   designated as an ETC to provide Lifeline services to low-income consumers on a wireless  
5   basis in the other 23 of its wireless service territories and on a wireline basis in seven  
6   states (Alabama, Arkansas, Florida, Georgia, Louisiana, Michigan and North Carolina).  
7   The Company currently has petitions for designation pending in Mississippi and  
8   Tennessee.

10   **Q.   WHY IS GLOBAL CONNECTION REQUESTING DESIGNATION AS A**  
11   **WIRELINE ETC IN SOUTH CAROLINA AT THIS TIME?**

12   A.   Previously, the Company made wireline Lifeline services available in several states in  
13   which it was not designated as an ETC by reselling the already-discounted Lifeline  
14   services of an underlying carrier. Global Connection did not request reimbursement from  
15   the Universal Service Administrative Company (USAC) for these services. Instead, the  
16   underlying carrier, a designated ETC, sought and received reimbursement. This  
17   arrangement was originally approved by the FCC as supportive of competition and  
18   beneficial for consumers. The background to this is discussed in the Company's  
19   Application. In a recent FCC order, however, the FCC determined that this arrangement  
20   is no longer beneficial to the Lifeline program, primarily due to the potential for duplicate  
21   reimbursement requests. Effective August 15, 2016, the FCC requires direct provisioning  
22   of Lifeline services by ETCs. This precludes the alternative arrangement through which  
23   Global could make Lifeline services available to South Carolina wireline consumers.

1 Indeed, the FCC ensured the end of such arrangements by deciding to forbear from  
2 application of Communications Act (Act) section 251(c)(4) (which requires an incumbent  
3 LEC to offer its Lifeline service to resellers). Accordingly, Global Connection seeks  
4 designation in South Carolina so that it can serve South Carolina Lifeline consumers.  
5 The Company is filing similar applications for designation in several other states where it  
6 no longer has the option to offer wireline Lifeline service through resale of an underlying  
7 carrier's discounted Lifeline service.

8  
9 **Q. PLEASE BRIEFLY DESCRIBE THE LIFELINE SERVICES THAT GLOBAL**  
10 **CONNECTION INTENDS TO PROVIDE IN SOUTH CAROLINA.**

11 A. Global Connection intends to provide prepaid local exchange and long distance services  
12 on a wireline basis to Lifeline eligible consumers in the service territories of BellSouth  
13 Telecommunications, LLC d/b/a AT&T South Carolina (AT&T), United Telephone  
14 Company of the Carolinas d/b/a CenturyLink (CenturyLink), Frontier Communications  
15 of the Carolinas, Inc. (Frontier), and Windstream South Carolina, Inc. (Windstream).

**Q. HOW ARE GLOBAL CONNECTION'S SERVICES DIFFERENT FROM THOSE OFFERED BY OTHER CARRIERS?**

A. A major distinguishing feature of Global Connection's Lifeline services is that they are provided on a wireline basis. For some time, the clear trend among carriers has been to provision Lifeline as a wireless service. Although the Company also provides wireless Lifeline services, Global Connection believes that consumers who desire to stay with their wireline service should not be compelled to transition to wireless in order to obtain Lifeline support. Designation of Global Connection as a Lifeline ETC will provide low-income South Carolina residents with an important choice in how they manage their telephone services.

In addition, the Company's proposed South Carolina Lifeline service plans present comparative advantages for prospective customers. They empower customers to control their local telephone service costs by subscribing to a prepaid flat-rate calling plan. All of Global Connection's Lifeline plans include unlimited local calling. In addition, customers may also control their long distance costs by subscribing to plans that include a pre-set number of interexchange minutes of use each month in the monthly flat fee. At the same time, customers always have the ability to supplement their plan with additional long distance minutes at competitively low rates in the event that their needs change during a particular month.

1   **Q.   PLEASE DESCRIBE THE COMPANY’S PROPOSED SOUTH CAROLINA**  
2   **SERVICE AREA FOR ETC DESIGNATION.**

3   A.   As described herein, Global Connection operates as a wireline reseller in South Carolina.  
4       The Company seeks designation as a wireline ETC throughout the operating territories of  
5       its underlying carriers, AT&T, CenturyLink, Frontier and Windstream. Toward this end,  
6       the Company has submitted, as an exhibit to its Application, a list of the South Carolina  
7       wire centers where Global Connection proposes to offer Lifeline services.

8  
9   **Q.   PLEASE DESCRIBE HOW THE COMPANY WILL PROVIDE ITS SERVICES**  
10   **IN SOUTH CAROLINA.**

11   A.   Global Connection will provide Lifeline services via resale of underlying facilities-based  
12       services provided by AT&T, CenturyLink, Frontier and Windstream.

13  
14   **Q.   WHAT ARE THE REQUIREMENTS FOR DESIGNATION AS AN ETC**  
15   **PURSUANT TO FEDERAL AND SOUTH CAROLINA LAW?**

16   A.   The requirements of section 214 of the Act with respect to designation as an ETC are that  
17       the requesting entity (i) be a common carrier; (ii) offer the services that are designated for  
18       federal universal service support; and (iii) advertise the availability of these services.  
19       Federal law requires that ETCs provide the supported services using their own facilities  
20       or a combination of their own facilities and resale of other carriers’ facilities unless they  
21       are granted forbearance from this requirement. Notably, however, in early 2012, the FCC  
22       issued a decision (discussed below) which establishes a protocol for grant of blanket

1        forbearance to resellers based upon satisfaction of specified conditions.<sup>1</sup> Additional  
2        conditions for ETC designation under the FCC's and the Commission's Rules include (i)  
3        the applicant's certification that it will comply with service requirements applicable to the  
4        support it receives; (ii) demonstration that the applicant will be able to keep its services  
5        functional in emergency situations; (iii) demonstration that the applicant will satisfy  
6        specified consumer protection and service quality standards; and (iv) demonstration of  
7        the applicant's financial and technical ability to provide the supported services. Pursuant  
8        to South Carolina Code of Regulations section 103-690, ETC designation may be granted  
9        only when the designation will further state and federal universal service goals.

10  
11    **Q.    DOES GLOBAL CONNECTION SATISFY THESE REQUIREMENTS?**

12    A.    Yes, it does.

13  
14    **Q.    IS GLOBAL CONNECTION A COMMON CARRIER?**

15    A.    Yes. The Company is a provider of wireline and wireless telecommunications services in  
16        South Carolina and elsewhere and, therefore, is deemed to be a common carrier for these  
17        purposes.

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<sup>1</sup> See *Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice Of Proposed Rulemaking, FCC 12-11, ¶ 368 (Feb. 6, 2012) (2012 Lifeline Reform Order).



1   **Q.   DOES GLOBAL CONNECTION COMMIT TO PROVIDE THE SUPPORTED**  
2   **SERVICES IDENTIFIED BY THE FCC’S RULES?**

3   A.   Yes. Global Connection will offer all of the supported services enumerated under section  
4       54.101(a) of the FCC’s Rules. Specifically, the Company will provide (i) voice grade  
5       access to the Public Switched Telephone Network; (ii) local usage; (iii) access to  
6       emergency services; and (iv) toll limitation. Following designation as an ETC, as  
7       detailed in the Company’s Application, Global Connection will provide each of these  
8       services throughout its designated service area.

10   **Q.   WILL GLOBAL CONNECTION ADVERTISE THE AVAILABILITY OF THESE**  
11   **SUPPORTED SERVICES USING MEDIA OF GENERAL DISTRIBUTION, AS**  
12   **REQUIRED BY 47 U.S.C. § 214(e)(1)(B)?**

13   A.   Yes. Global Connection will advertise the availability of its Lifeline services using  
14       methods reasonably calculated to effectively reach Lifeline-eligible consumers in its  
15       service area as required by sections 54.201(d)(2) and 54.405(b) of the FCC’s rules as well  
16       as S.C. CODE ANN. REGS. § 103-690. The Company expects to advertise its Lifeline  
17       services in a variety of ways, including newspapers of general circulation. Global  
18       Connection will expand these outreach efforts as necessary to ensure that it reaches  
19       Lifeline-eligible South Carolina consumers. Further, the Company will comply with all  
20       FCC requirements pertaining to the content of this advertising, including the disclosures  
21       required by section 54.405(c) of the FCC’s rules. Pursuant to S.C. CODE ANN. REGS. §  
22       103-690(a)(7), Global Connection is providing an affidavit certifying its compliance with  
23       these requirements as Exhibit E to its Application. Pursuant to S.C. CODE ANN. REGS. §

1 103-690(C)(a)(1)(C), the Company submitted a two-year plan for advertising and  
2 outreach as Exhibit F to the Company's Application. Samples of Global Connection's  
3 advertising are included as Exhibit C to the Company's FCC Compliance Plan, which is  
4 provided as Exhibit D to Global Connection's Application.  
5

6 **Q. HOW DOES GLOBAL CONNECTION PROPOSE TO COMPLY WITH THE**  
7 **REQUIREMENT THAT ETCs PROVIDE LIFELINE SERVICES EITHER BY**  
8 **USE OF THEIR OWN FACILITIES OR BY USE OF A COMBINATION OF**  
9 **THEIR OWN FACILITIES AND RESALE?**

10 A. Section 214(e)(1)(A) of the Act provides that an ETC must provide services "using its  
11 own facilities or a combination of its own facilities and resale of another carrier's  
12 services."<sup>2</sup> Carriers have always had the option to request forbearance from this  
13 requirement. In addition, pursuant to the FCC's 2012 Lifeline Reform Order, resellers  
14 are granted blanket forbearance from this facilities requirement, subject to conditions.  
15 These conditions include: (i) provision of 911/E911 service to customers regardless of  
16 their activation status and available calling minutes; and (ii) filing of a compliance plan  
17 that contains specific information both about the reseller's service offerings and its  
18 compliance with ETC obligations as set forth in the 2012 Lifeline Reform Order,  
19 including those aimed at preventing waste, fraud and abuse within the Lifeline program.<sup>3</sup>  
20 Global Connection proposes to operate in South Carolina and elsewhere pursuant to this  
21 blanket forbearance and commits to compliance with these conditions. Pursuant to S.C.

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<sup>2</sup> 47 U.S.C. § 214(e)(1)(A).

<sup>3</sup> There are also requirements, inapplicable to wireline carriers, to provide E911-compliant handsets and to replace E911 non-compliant handsets at no charge to the Lifeline customer.

1 CODE ANN. REGS. § 103-690(a)(6), Global Connection is providing an affidavit certifying  
2 to its compliance with these requirements as Exhibit E to the Application.

3  
4 **Q. HOW WILL GLOBAL CONNECTION MEET THE REQUIREMENT TO**  
5 **PROVIDE 911 AND E911 ACCESS TO ITS LIFELINE CUSTOMERS?**

6 A. Global Connection will provide its Lifeline customers with access to emergency services  
7 provided by local government and/or public safety officials, including 911 and E911  
8 where available, through arrangements with its underlying carriers. The Company will  
9 comply with all 911/E911 requirements imposed by federal, state and/or local  
10 jurisdictions as well as the FCC and this Commission.

11  
12 **Q. HAS GLOBAL CONNECTION SUBMITTED A PROPOSED COMPLIANCE**  
13 **PLAN TO THE FCC?**

14 A. Yes. Global Connection already has an approved compliance plan on file with the FCC  
15 for wireless Lifeline services. That plan was approved by the FCC on May 25, 2012.  
16 Global Connection also filed a wireline compliance plan with the FCC on June 26, 2012.  
17 On April 1, 2016, following discussion with FCC Wireline Competition Bureau Staff,  
18 Global Connection submitted proposed revisions to the Company's approved wireless  
19 compliance plan to address provision of Lifeline services on a wireline basis.  
20 Subsequently, pursuant to further discussion with Bureau staff, Global Connection  
21 submitted a revised and updated draft of its proposed wireline compliance plan. The  
22 Company's proposed wireline compliance plan was approved by the FCC on August 10,

1 2016. A copy of Global Connection's approved wireline compliance plan, is appended  
2 as Exhibit D to the Application.

3 **Q. DOES GLOBAL CONNECTION SATISFY THE FCC'S ADDITIONAL**  
4 **ELIGIBILITY CRITERIA FOR ETC DESIGNATION?**

5 A. Yes.

6  
7 **Q. SPECIFICALLY, DOES GLOBAL CONNECTION CERTIFY THAT IT WILL**  
8 **COMPLY WITH ALL SERVICE REQUIREMENTS APPLICABLE TO**  
9 **LIFELINE SUPPORT FUNDING?**

10 A. Yes. Global Connection certifies that it will comply with the service requirements  
11 applicable to the low-income support it receives as a result of designation as an ETC for  
12 the purposes of providing Lifeline services.

13  
14 **Q. HOW DOES GLOBAL CONNECTION DEMONSTRATE ITS ABILITY TO**  
15 **REMAIN FUNCTIONAL IN EMERGENCY SITUATIONS?**

16 A. Global Connection operates as a reseller and therefore relies upon the network  
17 functionality of its underlying carriers. As a result, the Company is able to ensure that its  
18 Lifeline customers benefit from the same ability to remain functional in emergency  
19 situations as currently provided by AT&T, CenturyLink, Frontier and Windstream to  
20 their own customers. These incumbent carriers' networks are demonstrably robust,  
21 equipped with sufficient back-up power to remain functional in the absence of an external  
22 power source, and capable of re-routing traffic around damaged facilities as well as  
23 managing traffic spikes resulting from emergency situations.

1   **Q.   HOW DOES GLOBAL CONNECTION INTEND TO SATISFY ALL THE**  
2       **CONSUMER PROTECTION AND SERVICE QUALITY STANDARDS**  
3       **APPLICABLE TO ITS PROPOSED ETC OPERATIONS?**

4   A.   In its current operations and with respect to future operations as an ETC in South  
5       Carolina, Global Connection is committed to full compliance with federal, state and local  
6       consumer protection standards. This commitment includes but is not limited to the  
7       protection of designated customer information (Customer Proprietary Network  
8       Information or CPNI). The Company certifies compliance with the same to the FCC on  
9       an annual basis. Global Connection also understands the competitive necessity to adopt  
10      and maintain high standards of service quality. The Company commits to do the same as  
11      a South Carolina ETC. Indeed, the Company's long history as a wireline provider attests  
12      to its understanding of this requirement and to its successful implementation of  
13      operational standards and customer service programs.

15   **Q.   DOES GLOBAL CONNECTION HAVE THE REQUISITE FINANCIAL AND**  
16       **TECHNICAL QUALIFICATIONS TO PROVIDE THE PROPOSED SERVICES?**

17   A.   Yes. Global Connection fully satisfies the requirement that it be financially and  
18       technically capable of providing the supported Lifeline services in compliance with all of  
19       the Low-Income Program rules. Global Connection has been offering non-Lifeline and  
20       Lifeline wireline services since 1998 and has been providing non-Lifeline and Lifeline  
21       wireless services since 2011. The Company generates substantial revenues from the  
22       provision of non-Lifeline services, which currently represent nearly a quarter of its  
23       wireline customers. Moreover, in the event that an infusion of capital is necessary or

1 strategically beneficial, Global Connection has ready access to capital from its investors.  
2 Primary among these are Milestone Partners, a Pennsylvania private equity firm, and  
3 Banyan Investments, a Florida mezzanine financing company. As a result, the Company  
4 has not relied – and, in future, will not rely – exclusively on Lifeline reimbursements to  
5 support its operations.

6 Similarly, Global Connection has the technical competence to provide the  
7 proposed services. The Company has been providing wireline telecommunications  
8 services throughout the United States for over 17 years, steadily developing its strategic  
9 insights and improving its customer offerings. Today, Global Connection's  
10 telecommunications operations are managed and maintained by a seasoned team of  
11 industry veterans. Moreover, because Global Connection will operate as a reseller, the  
12 technical management of its services will be supported by the expertise of its underlying  
13 carrier(s).

14  
15 **Q. PLEASE DESCRIBE THE COMPANY'S PROPOSED LIFELINE SERVICE**  
16 **OFFERINGS FOR SOUTH CAROLINA.**

17 A. Of course. As explained in its Application, the Company's Lifeline customers in South  
18 Carolina will have several plans from which to choose. As an ETC, Global Connection  
19 will offer the following plans, which reflect application of the federal \$9.25 discount as  
20 well as an additional Company discount of \$3.50:

21 **Basic Package.** Global Connection will provide qualified Lifeline customers who reside  
22 in South Carolina with unlimited local calling at a discounted flat rate as follows:

AT&T	CenturyLink/Frontier
------	----------------------

AT&T	CenturyLink/Frontier
\$20.70 per month, plus fees and taxes	\$36.70 per month, plus fees and taxes

1       **Advantage Package.** Global Connection will provide qualified Lifeline customers who  
2       reside in South Carolina with unlimited local calling plus 100 minutes of long distance.  
3       This package also includes Caller ID and Call Waiting and is available at a discounted  
4       flat rate as follows:

AT&T	CenturyLink/Frontier
\$25.70 per month, plus fees and taxes	\$46.70 per month, plus fees and taxes

5       **Premium Package.** Global Connection will provide qualified Lifeline customers who  
6       reside in South Carolina with unlimited local calling plus 100 minutes of long distance.  
7       This feature-rich package also includes Caller ID, Call Waiting, Call Forwarding, Call  
8       Return, 3-Way Calling, Call Blocking, and Call Trace and is available at a discounted flat  
9       rate as follows:.

AT&T
\$30.70 per month, plus fees and taxes

10       Customers for any of these service packages may purchase additional domestic long  
11       distance calling in the amount of 250 minutes for \$5.00 per month or unlimited domestic  
12       long-distance for \$10.00 per month.

13  
14       **Q.     ARE THERE ADDITIONAL TERMS AND CONDITIONS ASSOCIATED WITH**  
15       **GLOBAL CONNECTION’S LIFELINE SERVICE PLANS?**

16       Yes. Consumers may find additional information regarding Global Connection’s plans,  
17       rates, and terms and conditions on the Company’s website at [www.connectwithglobal.com](http://www.connectwithglobal.com).

**Q. WILL GLOBAL CONNECTION PROVIDE A TARIFF FOR ITS LIFELINE SERVICE OFFERING?**

A. As an authorized provider in South Carolina, Global Connection already has a tariff on file with the Commission for its wireline services. The Company will make any required revisions to its current tariff in a timely manner.

**Q. HOW WILL CUSTOMERS SIGN UP FOR SERVICE?**

A. Prospective customers for Global Connection's wireline Lifeline services can enroll in person, by calling Global Connection's customer service center or online. Approximately 40 percent of the Company's wireline customer enrollment is done in-person at store locations that sell Global Connection services. Global Connection currently has nearly 500 active agent locations, generally at retail locations such as convenience and check cashing stores. All agents enrolling Lifeline customers for Global Connection have a portal login, which allows them to enroll customers and provide the required disclosures, collect the required information and receive the required certifications as set forth in the Company's Lifeline application/certification form. At such enrollment events and store locations, Global Connection requires all prospective customers to show a valid government-issued photo identification and the address is checked against the E911 database to clear service from Global Connection's underlying providers. Each prospective customer is checked against the National Lifeline Accountability Database (NLAD) to ensure that the applicant does not already receive Lifeline service before the customer is enrolled. Wireline customers also may enroll by calling Global Connection's customer service number or by accessing the Company's website to obtain an



1 application/certification form. In either scenario, the customer will be instructed to  
2 complete and sign the form and return it by electronic mail, fax, or U.S. mail along with a  
3 copy of the prospective customer's proof of eligibility.  
4

5 **Q. WOULD DESIGNATION OF GLOBAL CONNECTION AS AN ETC IN SOUTH**  
6 **CAROLINA SERVE THE PUBLIC INTEREST?**

7 A. Definitely. Global Connection is a well-established telecommunications provider. The  
8 Company has been providing services to U.S. consumers for eighteen years. That very  
9 longevity speaks to Global Connection's reliability and success in the often-challenging  
10 telecommunications marketplace. Further, Global Connection is not merely "still"  
11 around but is actively growing and developing its business.

12 In addition, Global Connection proposes to offer wireline Lifeline services to  
13 South Carolina consumers. For a number of reasons, the majority of new ETCs are  
14 providing Lifeline services on a wireless basis. This disadvantages consumers that desire  
15 to retain their landline service yet need the support that the Lifeline discount provides.  
16 For these consumers, Global Connection's continued provision of wireline Lifeline  
17 services is an important public benefit.

18 Finally, designation of Global Connection will ensure that the Company's prepaid  
19 service offerings remain available to South Carolina Lifeline consumers. These service  
20 plans present customers with an effective means to control their communications costs.  
21 All of the Company's Lifeline plans include unlimited local calling and consumers have  
22 the option to further control costs by subscribing to a prepaid flat-rate plan that includes a  
23 pre-set number of interexchange minutes of use each month. Consumers that wish to do

1 so may purchase additional long distance minutes at competitive rates. Either way, they  
2 remain in control of their telephone expenses and are spared the potentially devastating  
3 effects of “bill shock.”  
4

5 **Q. WILL DESIGNATION OF GLOBAL CONNECTION AS AN ETC IN SOUTH**  
6 **CAROLINA HAVE ANY EFFECTS UPON COMPETITION IN THE STATE?**

7 A. Global Connection already operates as a wireline provider in South Carolina. For this  
8 reason, designation of the Company for wireline Lifeline services will not inject a new  
9 entrant into the South Carolina telecommunications market. It will, however, contribute  
10 to the significant strengthening of an existing competitive carrier. Global Connection’s  
11 ability to develop its wireline Lifeline customer base will go hand-in-hand with its  
12 expansion of non-Lifeline wireline services. The presence of a company dedicated to  
13 aggressively expanding its customer base and operations — which requires unstinting  
14 commitment both to the quality of telecommunications services and to the availability of  
15 effective consumer-responsive customer service — should challenge other providers to  
16 improve their own operations and offerings.  
17

18 **Q. WILL DESIGNATION OF GLOBAL CONNECTION AS AN ETC IN SOUTH**  
19 **CAROLINA HAVE ANY ADVERSE EFFECT UPON THE UNIVERSAL**  
20 **SERVICE FUND?**

21 A. Designation of Global Connection will have a very limited effect upon the financial  
22 resilience of the federal Universal Service Fund. The Company is applying for ETC  
23 designation solely for the purpose of providing Lifeline discounts to qualified low-

1 income consumers and to seek reimbursement for the same. Global Connection will not  
2 seek or accept high-cost support, which represents the bulk of Universal Service Fund  
3 expense.

4  
5 **Q. HAS GLOBAL CONNECTION MADE ANY COMMITMENTS TO COMBAT**  
6 **WASTE, FRAUD AND ABUSE OF THE PROGRAM?**

7 A. Absolutely. Global Connection fully supports the efforts of the FCC and the state  
8 commissions to prevent waste, fraud and abusive practices within the Lifeline program.  
9 The Company's commitments in this respect are stated within Global Connection's  
10 approved FCC Compliance Plan and in each of its applications for designation. Pursuant  
11 to the FCC's 2012 Lifeline Reform Order as well as its subsequent 2015 Lifeline Order  
12 and 2016 Lifeline Modernization Order,<sup>4</sup> Global Connection commits to pro-active  
13 compliance with rules and guidelines for enrollment and eligibility verification of  
14 prospective Lifeline customers, annual verifications of eligibility, and de-enrollment  
15 procedures for ineligibility. The Company publicizes the program eligibility  
16 requirements in its marketing materials and enrollment forms and utilizes critical  
17 resources such as the NLAD and state eligibility databases to verify consumer eligibility.

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<sup>4</sup> See *Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund*, WC Docket Nos. 11-42, 09-197, 10-90, Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, FCC 15-71 (rel. June 22, 2015) (2015 Lifeline Second Report and Order, Order on Reconsideration or Lifeline Second FNPRM). See *Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund*, WC Docket Nos. 11-42, 09-197, 10-90, Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (rel. Apr. 27, 2016) (Lifeline Modernization Order).

1   **Q.   WILL GLOBAL CONNECTION COMPLY WITH THE REQUIREMENTS FOR**  
2       **LIFELINE ELIGIBILITY CERTIFICATION AND VERIFICATION,**  
3       **INCLUDING ANNUAL VERIFICATION REQUIREMENTS?**

4   **A.**   Yes it will. Global Connection is committed to full compliance with the requirements of  
5       the FCC and this Commission regarding certification and verification of a customer's  
6       qualification for Lifeline service and has implemented procedures to ensure the  
7       requirements are met. As described in the Company's Compliance Plan (which was  
8       submitted as Exhibit D to the Company's Application), Global Connection has developed  
9       detailed and comprehensive procedures to address customer certification and verification  
10      requirements, including annual certification requirements, as well as requirements  
11      concerning de-enrollment and duplication of service. These procedures comply fully  
12      with the FCC's current customer certification and verification requirements and will be  
13      revised insofar as necessary to comply with any future changes to these requirements.

**Q. HOW WILL GLOBAL CONNECTION ENSURE THAT PROSPECTIVE CUSTOMERS COMPLY WITH THE “ONE-PER-HOUSEHOLD” RULE FOR LIFELINE SUPPORT?**

A. As described in greater detail in Global Connection’s Compliance Plan, the Company has implemented the requirements of the FCC’s 2012 Lifeline Reform Order to ensure that it provides only one Lifeline benefit per household. Global Connection achieves this goal through the use of its application/certification forms, internal database checks and its marketing materials. Upon receiving an application for Lifeline service, Global Connection searches its own internal records to confirm that it does not already provide Lifeline-supported service to someone at the same residential address.<sup>5</sup> If the applicant lives at an address with multiple households and Global Connection is providing Lifeline service to someone at the same address, the Company will require the applicant to complete and submit an Independent Economic Household Worksheet – a written USAC document containing the following: (1) an explanation of the Commission’s one-per-household rule; (2) a check box that an applicant can mark to indicate that he or she lives at an address occupied by multiple households; (3) a space for the applicant to certify that he or she shares an address with other adults who do not contribute income to the applicant’s household and share in the household’s expenses or benefit from the applicant’s income, pursuant to the Commission’s definition; and (4) the penalty for a consumer’s failure to make the required one-per-household certification (*i.e.*, de-enrollment).<sup>6</sup> In addition, Global Connection personnel will facilitate each applicant’s

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<sup>5</sup> See 2012 Lifeline Reform Order ¶ 78.

<sup>6</sup> *Id.* The USAC IEH Worksheet is available at <http://www.lifelinesupport.org/ls/eligibility/default.aspx#household>.

1 understanding of what constitutes “Lifeline-supported services,” and ability to determine  
2 whether he or she is already benefiting from Lifeline support. In particular, they will  
3 inform each consumer that he or she may be receiving Lifeline support under another  
4 name and that not all Lifeline services are currently marketed under the name Lifeline.  
5

6 **Q. HOW DOES THE COMPANY’S DE-ENROLLMENT PROTOCOL WORK?**

7 A. If Global Connection has a reasonable basis to believe that one of its Lifeline subscribers  
8 no longer meets the eligibility criteria, the Company will notify the subscriber of  
9 impending termination in writing, will comply with any state dispute resolution  
10 procedures applicable to Lifeline termination, and will give the subscriber 30 days to  
11 demonstrate continued eligibility.<sup>7</sup> A demonstration of eligibility must comply with FCC  
12 rule section 54.410(f) annual verification procedures, including the submission of a  
13 certification form.

14 Although not currently required by the Commission’s rules, if a customer contacts  
15 the Company and states that he or she is not eligible for Lifeline or wishes to de-enroll for  
16 any reason, the Company will de-enroll the customer within two business days.<sup>8</sup>  
17 Customers can make this request by calling the Company’s customer service number and  
18 will not be required to submit any documents.

19 **Q. WILL GLOBAL CONNECTION COMPLY WITH ALL OTHER FCC AND**  
20 **COMMISSION RULES APPLICABLE TO ETC OPERATIONS IN SOUTH**  
21 **CAROLINA?**

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<sup>7</sup> See 2012 Lifeline Reform Order ¶ 143; 47 C.F.R. § 54.405(e)(1).

<sup>8</sup> See Lifeline Second FNPRM ¶ 150, *supra* n. 9 at p. 4 (proposing to require ETCs to allow subscribers to de-enroll from Lifeline service for any reason within two business days).

1 A. Yes. The Company stands by the commitments asserted in its Application to comply  
2 with the rules and regulations of the FCC and of this Commission with respect to  
3 provision of Lifeline services in South Carolina, except as waived by the FCC or this  
4 Commission.

5  
6 **Q. WILL GLOBAL CONNECTION TIMELY PAY ALL APPLICABLE FEDERAL,**  
7 **STATE AND LOCAL REGULATORY FEES AND ASSESSMENTS**  
8 **APPLICABLE TO ITS ETC OPERATIONS IN SOUTH CAROLINA?**

9 A. Yes, it will. Global Connection acknowledges and accepts its obligations with respect to  
10 payment of federal, state and local regulatory fees, taxes and assessments (including  
11 customer assessments where required).

12  
13 **Q. WHEN WILL GLOBAL CONNECTION BE READY TO OFFER LIFELINE**  
14 **SERVICES IN SOUTH CAROLINA?**

15 A. Global Connection provides Lifeline services as a discounted offering of its non-  
16 Lifeline services. Because the Company is already operating and providing wireline  
17 services in South Carolina, the Company is prepared to offer Lifeline services  
18 immediately upon designation by this Commission.

1    **Q.     DOES THIS CONCLUDE YOUR TESTIMONY?**

2    **A.     Yes.**



## VERIFICATION

STATE OF GEORGIA

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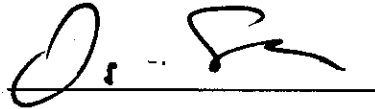
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COUNTY OF GWINNET

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I, David Skogen, state that I am the Chief Executive Officer of Global Connection Inc. of America (Global Connection); that I am authorized to make this Verification on behalf of Global Connection; that I have read the foregoing document; and that the statements in the foregoing document, except as otherwise specifically attributed, are true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury that the foregoing is true and correct.



Subscribed and sworn to before me this 13<sup>th</sup> day of September, 2016.

Notary Public



My Commission expires: April 3, 2020

